

Effectiveness Review

Brazzell Marketing Agency's "Referral Doubling Strategy"

Abstract

Background: Brazzell Marketing Agency promotes a marketing strategy package called the "Referral Doubling Strategy" based on success achieved in 2001 at Southwest Virginia Home Health Care. Now that Brazzell Marketing Agency has the ability to obtain cost report information for almost every home health agency in the country, Brazzell can further analyze the success of this strategy in a more comprehensive way.

Methods: We were able to identify eight clients using the strategy for at least three months in 2008 for whom we were also able to collect reliable cost report data for both 2008 and 2009. We selected 16 other home health agencies to use as a comparison control group. Comparison agencies were chosen based on proximity to the test agencies and similarity in size to each of the test agencies.

Results: Providers using the "Referral Doubling Strategy" averaged a 38% increase in total census comparing 2008 to 2009. This was greater than the control group which averaged a 7.73% increase in census. One of the eight agencies in the strategy group more than doubled total census between 2008 and 2009.

Introduction

Brazzell Marketing Agency promotes a marketing strategy titled "The Referral Doubling Strategy." This title is based on a success achieved in 2001 at Southwest Virginia Home Health Care. Since that time, Brazzell has helped more than 80 health care providers implement the strategy. Provider types have included home health, physical therapy, hospice, home medical equipment, pediatric occupational therapy, and psychiatry. Ongoing assessment of the effectiveness of the strategy has been based on two things: anecdotal reports from clients and client retention ratios. Eighty-five percent of clients who contract for the "Referral Doubling Strategy" continue their service past the contract

minimum of three months.

Home health care has changed significantly since 2001. Thanks in large part to the implementation of Medicare's Prospective Payment System, home health agencies use marketing much more aggressively than they did just one decade ago. In addition, the number of competitors in the home health industry has roughly doubled over the past decade. These changing circumstances suggest an ongoing evaluation of the cost-effectiveness of "The Referral Doubling Strategy."

In 2010, Brazzell Marketing Agency gained the ability to obtain all Medicare cost

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reports for home health, hospitals, skilled nursing facilities, and hospice. Brazzell uses this information to offer [The Brazzell Report](#) for home health market analysis. Having almost all home health cost report information gives us new opportunity to perform more thorough analysis of the ongoing effectiveness of "The Referral Doubling Strategy."

Methods:

We identified eleven Medicare certified home health agencies who used the strategy for three months or more in 2008. Then, using 2008 cost report data, we picked two control comparison agencies for each agency in the strategy group. Comparison agencies were either direct competitors of the strategy agency or in the same geographic region. We chose comparison agencies that were as close as possible to the same size as the strategy agency.

Looking at cost report data for both 2008 and 2009, we found problems with the cost report

data on file that caused us to throw out three of the strategy agencies and six of the comparison controls. Reasons included: the agency merged with another agency or the needed cost report data was missing. Therefore, our results were based on data from 8 strategy agencies and 16 control agencies. The agencies were located in North Carolina, Oklahoma, Illinois, Virginia, Texas, Michigan, Alabama, Missouri, and Mississippi.

Results:

Home health agencies using Brazzell Marketing Agency's "Referral Doubling Strategy" averaged a 38% increase in total census from 2008 to 2009. This compares well to the control comparison group. Home health agencies not using the strategy averaged an 8% increase in total census for the same time period. One of the eight strategy agencies more than doubled its census. Another agency increased its census 65%.

Figure 1

Strategy Group vs. Control Group

	Average Change in Census	Median Change in Census	Percent Experiencing a Positive Change in Census
Strategy Group (BMA Clients)	+38%	+32%	63%
Control Group (Agencies matched by location and size)	+8%	+2%	50%

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Discussion:

Upon request from verifiable health care providers, Brazzell Marketing Agency sends a free presentation explaining exactly how to perform the "Referral Doubling Strategy." Brazzell refrains from sending this information to providers in competition with a BMA client. One can request the free presentation at the company website:

www.BrazzellMarketing.com.

The use of the "Referral Doubling Strategy" correlates with an increased likelihood of agency growth and an average growth of 38%. If we estimate that an agency clears \$700 profit per patient (all episodes included), this would mean that even agencies receiving only three referrals per month have an average chance of achieving a 33% return on investment. Before this review, Brazzell Marketing Agency would state that "based on reports from clients, the median success is a 15% to 25% increase." Brazzell would use this estimate to caution agencies receiving fewer than 10 referrals per month against using the "Referral Doubling Strategy." The current effectiveness review calls into question that position. It would seem that agencies as small as 3 patients per month have a fair chance of achieving positive return on investment. One of the eight strategy

clients had a 2008 census of only 50 patients. This increased to 74 in 2009, representing an estimated 134% return on investment.

Positive results seemed equally likely for clients in both urban and rural settings. Positive results also seemed equally likely regardless of the size of the client. Clients realizing positive results ranged in annual census from 50 to 5,892 patients.

One of the eight strategy clients more than doubled total census from 2008 to 2009. The other positive gains were +16%, +48%, +50%, and +65%. The most current and comprehensive review possible for this marketing strategy demonstrates that it is fair to continue calling it "The Referral Doubling Strategy."